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November 13, 2008

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20049

Subject: RIN #3064-AD37 – Comments of Citigroup Inc.
on the FDIC's Temporary Liquidity Guarantee Program

Dear Sir:

Citigroup Inc. ("Citigroup") appreciates this opportunity to comment on the FDIC's interim rule concerning its Temporary Liquidity Guarantee Program (the "Interim Rule"). 73 Fed. Reg. 64179 (2008). Our comments concern only the coverage under the Transaction Account Guarantee Program of non-interest bearing transaction accounts which retain a right to require 7-days notice of withdrawal.

A. Background

Under the Transaction Account Guarantee Program, the FDIC has provided a temporary full guarantee for funds held at FDIC-insured depository institutions in non interest-bearing transaction accounts above the existing deposit insurance limit. Under the Interim Rule, a "non interest-bearing transaction account" is defined as a transaction account with respect to which interest is neither accrued nor paid and on which the insured depository institution does not reserve the right to require advance notice of an intended withdrawal. Although this definition encompasses traditional demand deposit checking accounts that allow for an unlimited number of deposits and withdrawals at any time, it specifically does not encompass negotiated order of withdrawal (NOW) accounts, even those where no interest is paid. These accounts are excluded solely by the definition of "non interest bearing transaction account" even though the institution does not pay interest on these accounts and has never invoked its right to require advance notice of an intended withdrawal.

In fact, both the covered DDA accounts and the non interest bearing NOW accounts are functionally equivalent. Both allow unlimited check writing; neither receives interest on the funds on deposit and neither is subject to a current requirement to provide advance notice of withdrawal.

B. Our Recommended Change

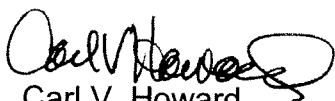
In general, Citigroup supports the Interim Rule's treatment of non interest bearing transaction accounts. However, for the reasons discussed below, we believe that the FDIC should include non interest-bearing NOW accounts within that definition so long as no interest is paid on the deposits and so long as the right to require advance notice of withdrawal has not been exercised by the institution.

From the customers' perspective, funds in a non interest-bearing transaction account classified as DDA and funds in a non interest-bearing transaction account classified as a NOW account are essentially indistinguishable. In both cases, the customers can normally write an unlimited number of checks and make unlimited withdrawals. In both cases they receive no interest on their deposits. While it is true that the depository institution that offers non interest bearing NOW accounts could invoke a 7-day notice of withdrawal before allowing withdrawal of the funds, there is only a remote chance of this ever occurring. Accordingly, it seems to us that is more appropriate to treat both types of accounts the same.

Currently, Citigroup's subsidiary Citibank, N.A. offers both types of deposit accounts. If these accounts are treated differently, it will be confusing to customers and we will be required to either (a) convert all of our non interest bearing consumer accounts to DDA accounts or (b) have some of our non interest bearing transaction accounts eligible for the temporary full guarantee while others are not. The first option will impose undue costs and inconvenience on Citibank, N.A., while the second option runs the risk of creating undue customer confusion. Neither option would appear to further any important public purpose.

Citigroup appreciates this opportunity to comment. If you have any question please contact me or Jeffrey Watiker at (212) 559-1864.

Sincerely yours,



Carl V. Howard
General Counsel – Bank Regulatory